SPECIFICATION AMENDMENTS:

Please amend the paragraph beginning at page 14, line 10 as follows:

Addition of a new condition and unification of different variables are standard expressions for refinement operator types though their implementation may differ between systems. A condition typically corresponds to a test on some quantity of interest, and tests are often implemented using corresponding functions in the background knowledge. When a new condition is added to a rule, its variables are unified with those in the rest of the rule according to user-specified mode declarations. Unification of a variable X to a variable Y means that all occurrences of X in the rule will be replaced by Y. A mode declaration for a predicate specifies the type of each variable and its mode. A variable mode may be input, output, or a constant. Only variables of the same type can be unified. Abiding by mode rules reduces the number of refinements ~~than~~ that may be derived from a single rule and thus reduces the space of possible concept descriptions and speeds up the learning process. There may be more than one way of unifying a number of variables in a rule, in which case there will be more than one refinement of the rule.

Please amend the paragraph beginning at page 27, line 23 as follows:

In particular STEPS uses what is referred to as an `individuals-as-terms` approach to knowledge representation: this approach localises all information provided by an example as a single item or expression incorporating a set of elements characteristic of that example. For example, in the preceding embodiment of the invention, the problem domain is concerned with characterising fraudulent cashiers. Using the individuals-as-terms representation, all information ~~relatingd~~ relating to an individual cashier is combined into a single item. Such information is the cashier's identifying number or id and the respective transactions that the cashier has generated. Therefore each example consists of the cashier's id and a list of its transactions expressed as a single tuple (generic name for pair, triple etc.), e.g.:

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Please amend the paragraph beginning at page 42, line 12 as follows:

The software vulnerability embodiment of the invention described above provides similar benefits to those associated with the fraud embodiment described with reference to FIG. 1 to 3[[:]].